

GAO

Testimony

Before the Committee on Finance,
U.S. SenateFor Release
On Delivery
Expected at
10:00 a.m., EDT
Wednesday,
April 8, 1992

U.S. CUSTOMS SERVICE

Concerns About Coordination
and Inspection Staffing on the
Southwest BorderStatement of Allan I. Mendelowitz, Director
International Trade and Finance Issues
General Government Division

Accession For	
NTIS CRA&I	<input checked="" type="checkbox"/>
DTIC TAB	<input checked="" type="checkbox"/>
Unannounced	<input type="checkbox"/>
Justification _____	
By _____	
Distribution /	
Availability Codes	
Dist	Avail and/or Special
A-1	



DTIC
ELECTE
FEB 17 1995
S G D

DTIC QUALITY

19950213 073

U.S. CUSTOMS SERVICE: CONCERNS ABOUT COORDINATION
AND INSPECTION STAFFING ON THE SOUTHWEST BORDER

SUMMARY OF STATEMENT BY ALLAN I. MENDELOWITZ
DIRECTOR, INTERNATIONAL TRADE AND FINANCE ISSUES
GENERAL GOVERNMENT DIVISION

Efficient border operations require coordination among a number of entities, including various U.S. agencies, state and local governments, and Mexico. Inadequate coordination has led to (1) staffing imbalances between Customs and the Immigration and Naturalization Service (INS) and (2) insufficient inspector staff for existing and planned facilities. The shortage of inspectors has been the main cause of long waits to cross the border into the United States.

Although Customs and INS share equal responsibility for primary inspections at the border, these agencies have not received comparable increases in inspection staff in recent years. Therefore, increasing the number of Customs inspectors will not necessarily reduce the waiting times for primary vehicle inspections unless INS receives corresponding staff increases.

GAO also found that neither Customs nor INS had an adequate method for determining staffing needs. Customs used two models to assist it in determining border staffing needs. However, neither was adequate to accurately measure how many inspectors were currently needed nor to reliably project how many would be needed in relation to trade increases. GAO used these models because there were no better alternatives at the time it did its study.

Both Customs Service models showed that Customs needed more than the 1,188 inspectors authorized for its southwest border districts in fiscal year 1990--276 more inspectors according to one model and 555 more derived from the other. Customs added 370 inspector positions to the southwest border in fiscal year 1991 and none in fiscal year 1992. The estimate of the number of Customs inspectors needed to support future trade increases was also clouded by the lack of data relating possible trade growth to changes in the models' work load measures. Assuming that trade growth yields a proportional increase in border traffic, the somewhat better of Customs' two models indicated that 100-percent trade growth would lead to a need for 1,370 more Customs inspectors for the southwest border than the number authorized for fiscal year 1991.

Customs officials said that the staffing problems along the southwest border were exacerbated by difficulties in recruiting and retaining staff along the border. In addition to more inspectors, Customs also reported a need for more administrative and support staff.

Mr. Chairman and Members of the Committee:

I am pleased to be here today to discuss issues related to the U.S. Customs Service and its role in monitoring U.S.-Mexican crossborder trade. My testimony is based primarily on information we developed for our November 1991 report, U.S.-Mexico Trade: Survey of U.S. Border Infrastructure Needs (GAO/NSIAD-92-56, Nov. 27, 1991) and our interim May 1991 report, U.S.-Mexico Trade: Concerns About the Adequacy of Border Infrastructure (GAO/NSIAD-91-228, May 16, 1991). In our November report, two of the issues we addressed were (1) coordination in border management and planning efforts and (2) the U.S. Customs Service's current and anticipated staffing requirements along the southwest border. I will discuss these issues further today.

The problems we discuss today are specific to the southwest border, however, they are also indicative of problems at Customs that are much broader. In order for Customs to make a permanent improvement in the situation, better interagency coordination and management systems at headquarters--as well as improvements in resource allocation along the southwest border--need to be implemented. We are currently addressing the broader management concerns in an ongoing assessment of Customs' management systems.

BACKGROUND

Trade and commercial traffic between the United States and Mexico have grown significantly in recent years. The capacity of existing border infrastructure to accommodate traffic is being strained, and anticipated expansion of trade is expected to intensify traffic pressures at the border. Moreover, ongoing negotiations aimed at establishing a North American Free Trade Area have raised concerns about the adequacy of infrastructure along the U.S.-Mexican border and the degree of coordination among the numerous entities concerned with border operations.

THE NEED FOR IMPROVED COORDINATION

Private sector and federal and local officials we talked to expressed a need for greater coordination efforts and more comprehensive long-range planning to take into account the requirements of the various agencies involved in border operations. Border operations are interdependent by nature, involving services and infrastructure, such as inspectors, border stations, highways and bridges, provided by many parties. This interdependence requires extensive coordination among all the parties involved, including Mexico. In our review we learned about some problems that can occur because of inadequate coordination. To handle these problems, a number of parties have recommended steps to improve border management.

Coordination Problems Related to Inspector Staffing

Two of the coordination problems we cited in our report were related to inspector staffing: (1) staffing imbalances between Customs and the Immigration and Naturalization Service (INS) and (2) insufficient inspector staff for existing or planned facilities built by the General Services Administration (GSA). An inadequate number of Customs and INS inspectors was the primary obstacle to the efficient operation of southwest border crossings, according to most of the officials we interviewed along the border. These officials considered the shortage of inspectors to be the main cause of long waits to cross the border into the United States.

Although Customs and INS share equal responsibility for primary inspections at the border, these agencies have not received comparable increases in inspection staff in recent years. In fiscal year 1991 Customs requested 175 new inspectors for the southwest border and subsequently allocated 370 positions based on instructions in a Senate Appropriations Subcommittee report. At the same time, INS requested 104 new positions for both the northern and southern land borders, but the Congress did not authorize any new positions. In fiscal year 1992 Customs allocated no additional inspectors for the southwest border, while INS received authorization for 135 new inspector positions, of which about 85 were allocated to the southern border. However, according

to INS' staffing model, in fiscal year 1990 INS already had a shortage of 412 inspectors given the workload it had then.

I mention INS staffing here because Customs and INS have an agreement to jointly staff primary vehicle inspection lanes on a 50-50 basis. We found that Customs would only open as many lanes at border crossings as INS could staff, thus causing significant traffic delays due to lack of INS staff. Customs officials at two large southwest border ports said that they could, and at one time did, allot more staff to primary inspections than INS. However, this caused Customs to redirect staff away from its main responsibilities, cargo inspection and drug interdiction, and caused other problems. Given the 50-50 interagency staffing agreement, increasing the number of Customs inspectors will not necessarily reduce the waiting times for primary vehicle inspections unless INS receives corresponding staff increases. This situation has been one reason for the continuing perception that inadequate staffing is the primary problem along the southwest border, despite the fact that Customs received a substantial number of new positions in fiscal year 1991.

Concern with trade and traffic flow on the U.S.-Mexican border has not only focused on the sufficiency of border inspectors but also on the capacity of border facilities. Although Customs was involved with GSA's facility planning and recognized that additional staff would be needed for the new facilities, it was

often unable to fully staff existing border inspection facilities, to say nothing about new or expanded ones. Customs officials (as well as INS officials) told us that when the Southern Border Capital Improvements Program projects are completed they might not be able to fully staff the new or expanded facilities.

Capacity is being added while existing facilities are not fully utilized due to staffing shortages. For example, San Ysidro, the largest crossing along the U.S.-Mexican border, has 24 primary lanes. However, only 16 of these lanes were open on average during the busiest periods of weekdays. Similarly, the three inspection facilities serving the city of Laredo had a combined capacity of 16 primary lanes, but the maximum number of lanes open was 12.

Coordination Problems Involving Other Federal Agencies

Among the coordination problems with other federal agencies that we found was the international bridge situation in El Paso, involving the aging Bridge of the Americas and the new Zaragosa bridge. When we visited El Paso in August 1991, the new Zaragosa bridge did not have matching border inspection facilities completed yet while the old Bridge of the Americas, which had brand-new, expanded facilities, would soon have to be closed or severely restricted because of the bridge's deteriorated condition. Renovation and expansion of the border station servicing the aging Bridge of the Americas had been completed before the bridge itself was renovated

or replaced. Therefore, most of the traffic would have to be diverted to the new Zaragosa bridge, where the new inspection facility was still under construction.

El Paso city officials said there was poor coordination between the International Boundary and Water Commission (IBWC), which owns the Bridge of the Americas, and GSA, which was renovating and building the facilities at the two bridges. According to a GSA official, 40 percent of cargo traffic in the El Paso area at that time was using the Zaragosa bridge and traffic at its old inspection facility was being accommodated without any problems. However, Customs officials in El Paso questioned whether the new facilities at Zaragosa and neighboring Santa Teresa could handle all of the cargo traffic without creating very long waits if the Bridge of the Americas was closed.

In recent discussions, an IBWC official told us that the Bridge of the Americas will likely be partially closed by yearend 1992 or early 1993 for construction of a new bridge. The IBWC has kept the present bridge open by using additional structural support and imposing a 40,000 pound weight limit for trucks crossing the bridge. Meanwhile, the new commercial inspection facilities at Zaragosa are currently scheduled to be completed around May 5, according to an El Paso Customs official. Zaragosa is now handling 60 percent of commercial traffic, although there have been 2-hour waiting times to reach the inspection station. Customs officials

believe that when the Zaragosa inspection facilities are fully completed, they will be able to handle traffic volumes adequately, even if the Bridge of the Americas is severely restricted. However, they were concerned about adequate staffing for the new facility.

Problems Associated With U.S.-Mexican Coordination

Coordination between U.S. and Mexican authorities is also essential to ensure efficient operation of border crossings. In some locations, operating procedures that differ between U.S. and Mexican inspection agencies have caused border inspection facilities to be underutilized, according to Customs, INS, and local officials. For example, we were told that at many border crossings in Texas, Mexican Customs released northbound trucks in batches, creating huge peaks and valleys in work load on the U.S. side. U.S. Customs officials in Laredo and El Paso also described problems in aligning their hours of operation with Mexican Customs. This misalignment was due to Mexican Customs charging higher fees to process cargo at certain times, long lunch breaks taken by the Mexicans, and seasonal time differences caused by Mexico not being on daylight savings time. These factors, along with others such as shipping schedules, narrowed the time when most trucks crossed the border into Texas. These crossings usually occurred from 4 p.m. to 7 p.m.

Calls for a Comprehensive Border Plan

U.S. private sector representatives we interviewed noted that a comprehensive plan to coordinate growth along the border was lacking. They said border planning took place within individual communities, with no one entity considering an overall plan. They believe a borderwide plan could facilitate coordination among U.S. and Mexican authorities and better align operations and infrastructure on both sides of the border. Although the Interagency Committee on Bridges and Border Crossings meets on a regular basis with its Mexican counterparts to discuss current and future implementation of specific capital improvement projects, this group has not addressed borderwide issues. It also does not have the authority to commit the resources of its constituent agencies. Only the International Boundary and Water Commission has jurisdiction all along the entire border, but its authority is generally limited to addressing irrigation, sewage treatment, and other water issues.

CUSTOMS' INSPECTOR STAFFING REQUIREMENTS

Although most of the officials we interviewed along the border considered the shortage of inspectors to be the main cause of long delays in crossing the border into the United States, we found that neither Customs nor INS had an adequate method for determining staffing needs. We found that Customs used two models to assist it

in determining the number of staff it needed at the border. However, neither model was adequate to accurately measure how many inspectors were currently needed or to reliably project how many would be required in relation to trade increases. Nevertheless, we worked with these models because there were no better alternatives. Customs is currently working with outside contractors to develop more sophisticated models of southwest border operations.

Both Customs Service models showed that Customs needed more than the 1,188 inspectors authorized for its southwest border districts in fiscal year 1990--276 more inspectors according to one model and 555 more derived from the other. We found that the first model, an allocation model developed by Customs' Southwest Region, had the fewest problems of the two. We did make some minor modifications to the model to correct some problems. As I previously mentioned, Customs added 370 inspector positions to the southwest border in fiscal year 1991. However, many of these positions had not yet been filled at the time we issued our November 1991 report.

The estimate of the number of Customs inspectors needed to support future trade increases was clouded not only by problems with the models, but also by the lack of data relating trade growth to changes in the models' work load measures. Assuming that trade growth yielded a proportional increase in all traffic, i.e., trucks, private vehicles, and pedestrians, Customs' allocation model indicated that a 100-percent trade growth would lead to a

need for 1,370 more Customs inspectors for the southwest border as compared to the fiscal year 1991 authorized level.

Appendix I shows by Customs District how many inspectors were needed in fiscal year 1990 to meet the standards in the model and how many will be needed at certain assumed levels of trade growth.

Customs has been experimenting with an automated paperless cargo clearance system as a means to improve the economy and efficiency of its border operations. Success in these efforts might reduce the staffing needed for any given level of traffic flow. We recently testified,¹ based on ongoing work, before the House Ways and Means Subcommittee on Trade on H.R. 3935, the Customs Modernization and Informed Compliance Act. We recommended that section 201, authorizing a National Customs Automation Program (NCAP) for processing imported goods electronically, be modified. We proposed that section 201 require Customs to develop performance measures needed to assess progress toward NCAP goals and to develop estimates of the costs to Customs of bringing NCAP components on line. This recommendation was based on our finding that inadequacies in Customs' management practices created trade enforcement problems. Specifically, (1) Customs' plans provide neither clear objectives nor implementation strategies, (2) Customs has experienced widespread problems in its efforts to monitor and

¹Customs Service: Comments on The Customs Modernization and Informed Compliance Act (GAO/T-GGD-92-22, Mar. 10, 1992).

evaluate program performance, and (3) Customs' trade enforcement efforts lack effective information systems support.

Support Staff Needed When Inspectors Increase

Customs has also identified a need for more support staff, such as clerks, computer specialists, and import specialists when the number of Customs inspectors increases. At Customs in Laredo, the agency had a 5-year freeze on hiring clerical staff, while inspection staff had grown by 34 percent. Officials there also cited problems with separation of duties regarding fee collection. The Customs District in San Diego would like to have 1 support staff for every 28 inspectors, compared to a ratio of 1 to 37 at the time of our report. Because they lacked support staff, inspectors sometimes performed clerical and security functions. These activities detracted from Customs' cargo inspection and drug enforcement mission, according to a Customs official.

Problems Recruiting and Retaining Staff

Simply authorizing and funding more positions will not solve all of the staffing problems along the southwest border. Both Customs and INS, along with community and business leaders, were concerned about the agencies' ability to hire and retain staff along the border.

A widespread concern has been the length of time it takes from announcing a position opening to actually bringing a person on board. One delay involved the background and suitability checking process. Recruiting and processing a new hire usually took 6 months and often longer. Frequently, people that were selected found other jobs in the interim.

Customs has also had a hard time keeping inspectors once it hired them for the southwest border. Customs' Southwest Region had filled 289 new positions after a recent intensive recruiting campaign. However, during that period, 100 inspector positions were vacated, thus requiring additional recruiting. Customs officials told us that most border station inspectors they lose move to other areas within the agency, often for promotions. Currently, the career ladder for Customs and INS inspectors ends at the GS-9 level. Both Customs and INS are working to move the top of the career ladder for inspectors from GS-9 to GS-11 and to have inspectors designated as law enforcement officers so they can qualify for retirement benefits after 20-years of service.

Retaining staff recruited from outside the southwest border region was also a serious problem. Often new hires from outside the area would either leave or transfer relatively quickly because of the harsh climate and unfamiliar cultures. On the other hand, recruits from the border region were not only familiar with the climate and culture, but also frequently spoke Spanish, a desirable skill for

Customs inspectors along the U.S.-Mexican border. However, hiring from the local population has its own drawbacks. For example, some agency officials were worried that putting an inspector in the position of having to stop, search, and perhaps arrest a relative or childhood friend was either unfair to the inspector or might compromise his or her integrity. However, most of the people we spoke with along the border, i.e., state and local government officials, business representatives, as well as Customs and INS staff, downplayed this concern. They said this problem was not endemic to the people that live along the border. Rather, it was a question of hiring people with integrity and good moral character no matter where they were from.

To alleviate concerns, some parties we spoke with suggested that staff hired in Laredo, for example, could work in McAllen, close by but unlikely to put an inspector in the position of knowing many of the people that come through the crossing. Likewise, one port director suggested the problem would be limited to small, isolated towns, such as Presidio, Texas, where hiring locals might be a concern because they really did know everybody in the town.

To solve the turnover problem, the Border Trade Alliance suggested that the border inspection agencies require a contractual minimum stay of 2 to 3 years as a condition of employment. A Customs official agreed such a change would be a good idea, but said that enforcement would be difficult because of hardship transfers.

- - - - -

Mr. Chairman, this concludes my prepared remarks. I will be happy to try to respond to any questions that you or the Committee may have.

Table I.1: Customs' Staffing Requirements

Customs district	Authorized inspectors	<u>Inspectors needed according to the model</u>				
			At assumed trade increases			
			(percent)			
	<u>FY 1990</u>	<u>FY 1990</u>	<u>10</u>	<u>25</u>	<u>50</u>	<u>100</u>
San Diego	366	477	525	596	716	954
Nogales	172	186	205	233	279	372
Laredo	400	477	525	596	716	954
El Paso	<u>250</u>	<u>324</u>	<u>356</u>	<u>405</u>	<u>486</u>	<u>648</u>
Total	<u>1,188</u>	<u>1,464</u>	<u>1,610</u>	<u>1,830</u>	<u>2,196</u>	<u>2,928</u>

Notes: FY denotes fiscal year.

Columns may not add to totals due to rounding.

Source: GAO calculations based on U.S. Customs Service model.